



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/767,699

01/29/2004

Thomas J. Daley

04-6174 (069547.0174)

5670

63710

7590

07/22/2008

DEAN P. ALDERUCCI
CANTOR FITZGERALD, L.P.
110 EAST 59TH STREET (6TH FLOOR)
NEW YORK, NY 10022

EXAMINER

SHRESTHA, BIJENDRA K

ART UNIT

PAPER NUMBER

3691

MAIL DATE

DELIVERY MODE

07/22/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/767,699	Applicant(s) DALEY ET AL.	
	Examiner BIJENDRA K. SHRESTHA	Art Unit 3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 April 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 10-18 and 25-42 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☐ Claim(s) 10-18 and 25-42 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>06/12/2008</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claims 1-24 are presented for examination. Applicant filed an amendment on 05/16/2008 amending claims 10-18, canceling claims 1-9 and 19-24 and adding new claims 25-42. After careful consideration of applicant's arguments and amendments, new grounds of rejections of claims necessitated by Applicant's amendment are established in the instant application as set forth in detail below. Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 10-18 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Regarding claims 10-18, as best understood, it appears that the claimed method steps could simply be performed by mental process alone and are not statutory. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the

claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Newly added Claims 25-42 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 25-42 represent improper dependent claims reciting both computer readable medium and system to carry out a method of claim as stated. Applicant fails to point out distinctly whether it is system or method claim and which steps of claim or whichever dependent claim it is dependent on is carrying out the method as described. Examiner interpreted claims 25-42 as a system claim for purposes of applying prior art in this application.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. As per claim 1, Korhammer et al. teach a method comprising:

receiving a first order for a quantity of a trading product, in which the first order indicates a size of the first order that may be disclosed ((see Fig. 2; DELL (1080), Total Quantity (1010), Maximum disclosure Quantity or Show (1040); paragraph [0052])

identifying a plurality of market centers, in which each market center comprises a second order that corresponds to the first order (see Fig. 1; paragraph [0046]; where Consolidated Computer System (CCS) 100 collects orders from ECN150, ECN251, ECN353 and ECN454 and NASDAQ52) and distributes to the trader) ;

determining a disclosure policy adopted by each identified market center (see Fig. 1; paragraph [0047]; where customized order book on the trader terminal organized by security and price disclosing each market center and its information);

selecting, based on the disclosure policy, a market center from the plurality of identified market centers (see Fig. 1; paragraph [0047-0048]; where trader selects or make buy/sell decision after filtering and customizing data displayed based on trading preferences); and

routing the first order to the particular selected market center, in which the first order is routed according to the disclosure policy selected market center (see Fig. 1; Fig. 2, Route (1020); where CCS routes the order to specific market center parameters indicate by the trader).

7. As per claim 11, Korhammer et al. teach claim 10 as described above.

Korhammer et al. further teach the method further comprising:

determining that the selected market center has adopted a proprietary reserve policy, in which the selected market center fills the quantity of the first order, while disclosing only the size of the first order; and transmitting an indication of the quantity of the trading product and the size of the first order that may be disclosed (see paragraph [0034]; where user A and user B maintains hidden reserve policy in transaction with NASDAQ).

8. As per claim 12, Korhammer et al. teach claim 10 as described above.

Korhammer et al. further teach the method further comprising:

determining that the selected market center indicates has adopted an IOC policy (see Fig. 2; paragraph [0055]; where Time in Force (TIF) is selected as Immediate or Cancel); and

transmitting an IOC order to the selected market center, in which the selected market center attempts to fill the quantity of the first order and cancels any portion of the first order that is unfilled(see Fig. 2; when TIF selected is Immediate or Cancel; paragraph [0055] and [0063]).

9. As per claim 13, Korhammer et al. teach claim 12 as described above.

Korhammer et al. further teach the method further comprising:

receiving an indication that the selected market center filled only a attempts to fill immediately and cancels any portion of the first order (see paragraph [0055]; where order is order is Immediate or cancel);

comparing an amount of the remaining portion of the first order and the size of the first order that may be disclosed; determining that size of the first order is less than the amount of the remaining portion of the first order; and transmitting a day order for the size of the first order, in which the day order comprises that remains available on the selected market center for the lesser of the until at least one of the following occurs: the day order is filled, the day order is cancelled, and trading at the selected market center is closed (see paragraph [0034]; where first order for 1000 shares is disclosed out of 20,000 shares for NASDAQ market).

10. As per claim 14, Korhammer et al. teach claim 13 as described above.

Korhammer et al. further teach the method comprising:

receiving an indication that the day order has been filled; determining the amount of the remaining portion of the first order: and transmitting a second IOC order comprising the amount of the remaining portion of the first order (see Fig. 2; paragraph [0059]).

11. As per claim 15, Korhammer et al. teach claim 10 as described above.

Korhammer et al. further teach the method comprising:

receiving an indication that the selected market center filled only a portion of the first order; comparing an amount of the remaining portion of the first order and the size of the first order that may be disclosed; determining that size of the first order is greater than the amount of the remaining portion of the first order; and transmitting a day order for the amount of the remaining portion of the first order, in which the day order remains available on the selected market center until at least one of the following occurs: the day order is filled, the day order is cancelled, and trading at the selected market center is closed at end of day (see paragraph [0049]; where CCS breaks and routs order to more than one market center).

12. As per claim 16, Korhammer et al. teach claim 15 as described above.

Korhammer et al. further teach the method comprising:

receiving an indication that the day order has been filled; determining the amount of the remaining portion of the first order; and transmitting a second IOC order comprising the amount of the remaining portion of the first order (see Fig. 2; paragraph [0055]).

13. As per claim 17, Korhammer et al. teach claim 10 as described above.

Korhammer et al. further teach the method comprising:

determining that the selected market center has adopted a NOIOC policy; and
transmitting a day order for the size of the first order, in which the day order remains available on the selected market center until at least one of the following occurs: the day order is filled, the day order is cancelled, and trading at the selected

market center is closed at end of day (see Fig. 2; paragraph [0056] and [0057]; where bids at or above minimum price 24.04 is accepted until offer of 10,000 shares are filled).

14. As per claim 18, Korhammer et al. teach claim 17 as described above.

Korhammer et al. further teach the method comprising:

receiving an indication that the day order has been filled; determining an amount of the remaining portion of the first order; determining that the amount of the remaining portion of the first order is greater than the size of the first order; and transmitting a second day order for the size of the first order (see Fig. 2; paragraph 0059]; where offer for 1000 shares are refreshed from the reserved quantity as previous offer of 1000 shares are sold in ColorBook Discretion Order).

15. As per claim 25-33, Korhammer et al. teach an apparatus (see Fig. 1) comprising:

a processor ; and a memory (see Fig. 1; paragraph [0046] and [0049]; where Consolidated Computer System (CCS) processes and routes order), in which the memory stores instructions which, when executed by the processor, direct the processor to perform the method of claim 10-18 as described above.

16. As per claim 34-42, Korhammer et al. teach an article of manufacture comprising:

a storage medium, in which storage medium stores instructions which, when executed by a processor, direct the processor to perform the method of claim 10 -18 as described above (see Fig. 3, Messaging System 100'; paragraphs [0015], [0023], [0066]

and [0049]; where plurality of users send messages/instructions to CCS (server) to execute an order which is stored in messaging system of CCS (100')).

Response to Arguments

17. Applicant's amendments necessitated the new grounds of rejections of claims in the instant application. Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

Korhammer et al. teach routing order of financial instruments among permissioned users through messaging system as indicated in order entry system in graphical user interface (see Fig. 2-3; paragraphs [0022], [0023], [0053] and [0066]). Based on parameters indicated by the use /trader, CCS 100 will determine when and where to place the order (see Fig. 2, Route (1020); paragraph [0048] and [0049]).

Conclusion

18. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

Art Unit: 3691

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action. The prior art made of record and not relied upon is considered pertinent to applicant's disclosures. Applicant is required under 37 CFR 1.111(c) to consider references fully when responding to this action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosures. Applicant is required under 37 CFR 1.111(c) to consider references fully when responding to this action.

The following are pertinent to current invention, though not relied upon:

Bennett et al. (U.S. Patent No. 7,110,969) teach methods of and systems for electronic order routing (CORS).

Bundy et al. (U.S. Patent No. 7,242,669) teach methods and systems for multi-path routing of electronic orders for securities.

Keith (U.S. Pub No. 2001/00420240) teaches routing control for orders eligible for multiple markets.

Korhammer et al. (2004/0143538) teach automated system for routing orders for financial instruments based upon undisclosed liquidity.

Korhammer et al. (U.S. Pub No. 6,278,982) teach securities trading system for consolidation of trading on multiple ECNs and electronic exchange.

Marynowski et al. (U.S. Pub No. 2007/0156574) teach automated trading system in an electronic trading exchange.

Ordish et al. (Patent No. 5,727,165) teach offer matching system having timed matched acknowledgement.

Shapiro (U.S. Pub No. 2002/0091606) teaches predictive automated routing system (PARS) for securities trading.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bijendra K. Shrestha whose telephone number is (571)270-1374. The examiner can normally be reached on 7:00AM-4:30 PM (Monday-Friday); 2nd Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571)272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/
Supervisory Patent Examiner, Art
Unit 3691

bks/3691